

Consultant Terms of Reference

Navigating risks and roadblocks in LMIC implementation. Exploring alignment between donors and implementors.

Background and rationale

The Open Road Alliance (ORA) – a founding member of the Risk Pool Fund (RPF) – was established in 2012, to offer fast, flexible funding to non-profits and social enterprises facing discrete and unexpected ‘roadblocks’ during project implementation. In 2017, ORA analysed 102 applications requesting such one-off grants or loans,¹ so as to assess trends across its portfolio.² Descriptive analysis was used, alongside statistical analysis (via probit regressions in Stata). 22 different kinds of ‘roadblocks’ were identified,³ and were assessed to fall into three broad categories: organisation misfortune; acts of God / market economics; and funder-created obstacles. The findings from this study provide the first-ever empirical dataset on ‘what goes wrong’ in impact-focused projects and offer early conclusions on how specific roadblocks correlate with other variables.

Subsequently and accordingly, the RPF has relied on these findings to assess funding applications and award grants in low- and middle-income country (LMIC) contexts, using adapted risk area categories.⁴ However, since data was collected by ORA in 2017, the global economic, climate, and political landscape has changed significantly. Further, the ORA research primarily focused on examining non-profits and social enterprises in the Global North, so findings may be imperfectly aligned to the specific challenges facing organisations in LMICs.

In order to refine their funding approach accordingly, RPF is seeking to build on the ORA study and develop a new taxonomy of roadblocks—this time, with a specific focus on international grant making to LMICs and the specific kinds of roadblocks facing organisations in these contexts.

Audience and use of findings

The primary audience for this research is the grant making and impact investing community with whom it will be shared. The secondary audience is the RPF Board, Management, and grantees, who will utilise the findings to adjust the RPF approach.

Research objectives

The preliminary objectives of this research are to:

- Examine the anticipated risks to programme implementation in LMICs from the funder and implementor perspectives.
- Explore the alignment between funder and implementor perceptions and experience of challenges to programme delivery in LMICs (and the willingness to communicate these challenges).
- Understand the barriers facing implementing organisations in LMICs to communicating risk (predictable and unpredictable challenges) to funders; and to
- Develop an up-to-date framework of the risks associated with programme implementation in LMICs.

¹ This includes all 94 successful applications presenting a ‘roadblock’ scenario, and a further eight applications that matched the inclusion criteria but were unsuccessful for other reasons.

² <https://philanthropynewyork.org/sites/default/files/resources/ORA-RoadblockAnalysis-DigitalPDF-Final.pdf>

³ See Annex B of this document.

⁴ These are: funder created obstacles; acts of God; NGO misfortune; economic or policy changes; and highly leveraged roadblocks and solutions (the latter including, for example, instances where a lack of robust organisational planning leaves a small and discreet budget shortfall to conclude a multi-year project without recourse to other supplementary funds).

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Research questions

The preliminary research questions are:

- What are the main challenges (experienced or observed) that either threaten to or do delay, derail, or otherwise challenge programme implementation in LMICs?
 - Where these challenges have arisen (or have threatened to arise), what mitigation measures are taken by implementing organisations and/or their funders?⁵
- What are the perceived risks by funders and implementors to programme implementation in LMICs at the outset of a programme?
- How are risks to programme implementation in LMICs communicated by implementing organisations to funders (before, during, and after implementation has occurred)?
- How do funders communicate about risks and their willingness / adaptability to support risk mitigation strategies before, during, and after they happen?

Key available data

Documentation on the RPF approach, eligibility criteria for RPF nominees, examples of past applications, technical reviews, and agreements will be provided to the consultant for background review.

Subsequently, the consultant will work with RPF leadership to identify key people to interview. These are likely to include funders, roster nominees since 2018, funding intermediaries and grantees. There may also be value in speaking with other stakeholders or individuals involved in LMIC programme implementation and/or the grant-making space, which can be discussed once the consultant is appointed.

Therein, possible data includes the following:

- Literature and documentation
 - Academic and grey literature on barriers and risks to programme implementation in LMICs
 - Relevant ORA publications⁶
 - ~60-70 applications to the RPF [including applications; organisational demographics and key characteristics; external review panel (ERP) recommendations; and, where grants were provided, reporting forms]
- People for interviewing or surveying:
 - A network of approximately 30 funders
 - ~200–300 focal points in implementing organisations (international and national)
 - Academics conducting implementation research.

Research methods

The original ORA study examined 102 applications (all 94 successful applications including 'roadblock' scenarios, and a further eight unsuccessful applications that also met inclusion criteria but were denied for other reasons).¹ Data was analysed for trends, patterns, and any statistically significant correlations, using descriptive analysis and statistical analysis via probit regressions in Stata. For reference, the original study's full analytic method is included in Annex A of this document.

⁵ Internally, as well as any recourse that is taken by seeking support from external agencies and/or partners.

⁶ <https://openroadalliance.org/resource/ora-roadblock-analysis-report/>; <http://stanford.ebookhost.net/ssir/digital/48/ebook/1/download.pdf>; https://openroadalliance.org/wp-content/uploads/2020/07/The_Risk_Toolkit_2017.pdf

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However, the consultant is not expected to 're-run' the original ORA study, but rather to update and complement it. Therein, the RPF expects that the consultant will propose a robust yet rapid methodology to collect and analyse the relevant data, with a view to answering the research questions. The consultant should propose their methodology in the Expression of Interest (see 'Application process', below)—and, if selected, is expected to elaborate on their methodology in the inception report (see 'Deliverables', below).

The consultant may find this description of contribution analysis useful,⁷ but this approach is not required if deemed less appropriate than other methods such as grounded theory⁸ and / or framework analysis.⁹ Consultants are welcome to propose mixed methods approaches.

Regardless of the chosen approach, the RPF anticipates the data collected and method of its analysis will be largely qualitative in nature and will likely include the coding of data in order to identify patterns and themes (therein, qualitative findings may be presented in a quantitative fashion, where relevant). Consultants should be mindful of the study's timetable (see 'Timetable, below), to be sure their method of data collection and analysis is not only robust but also efficient in nature.

Ethics and risk

This consultancy is not expected to involve interviews with vulnerable populations. As such, an ethics board review is not needed for this work.

Nevertheless, RPF expects the consultant to conduct research according to all appropriate ethical standards including informed consent; a commitment to the anonymity of statements provided and the confidentiality of participation; the safe storage of all data; and the deletion of data at the end of the project post-transfer to RPF. The consultant is expected to communicate these protections to the study's participants, and to obtain verbal consent prior to the collection of any data. The consultant should also inform study participants of how they may raise any relevant concerns (i.e., by emailing RPF's Victoria Tayler @ victoria@riskpoolfund.org).

Deliverables

The consultant is expected to produce the following deliverables:

- An inception report with the findings of the scoping literature review, a plan for key informants to interview, draft topic guides for interviews, a draft survey tool, and a planned methodology for data analysis (~5 pages, not including the topic guide / survey tool if being used).
- A final report addressing each research question in narrative form (~10 pages, including executive summary).
- A framework of key risks affecting programme implementation in LMICs, written in an accessible way that can be shared with external stakeholders (~2–3 pages);¹⁰
- A slide deck detailing the study's background, methodology, findings, framework, and proposed next steps; and
- The transfer of all collected and organised data (e.g., anonymised transcripts, survey results, *et cetera*) to RPF (following research management's sign-off of the above products, and in accordance with the data management plan detailed in ethics and risks, above).

⁷ https://www.betterevaluation.org/en/plan/approach/contribution_analysis

⁸ <https://delvetool.com/blog/constructivist-gt>

⁹ <https://nsuworks.nova.edu/tqr/vol26/iss6/21/>

¹⁰ See Annex B.

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Timetable

Approximately 30 days of time, taking place over a 2–3-month period, starting in mid-January 2023, with the completion of all deliverables targeting a 30 April 2023 deadline.

The consultant may organise their own time according to this deadline but will also be expected to periodically check in with research management (see ‘Research management’, below). The following timetable can be used as a guide.

Date	Progress / deliverable
March '23	<ul style="list-style-type: none">• Submission of EOI and CV
Early April '23	<ul style="list-style-type: none">• Interviews with shortlisted candidates
Late April '23	<ul style="list-style-type: none">• Completion of scoping review
Early May '23	<ul style="list-style-type: none">• Completion of the inception report (with RPF rapid review)• Begin data collection
Mid-May '23	<ul style="list-style-type: none">• Continue data collection
Late May '23	<ul style="list-style-type: none">• Completion of data collection• Begin data analysis
Early June '23	<ul style="list-style-type: none">• Completion of data analysis• Zero drafts of all other deliverables (with RPF rapid review)
Mid-June '23	<ul style="list-style-type: none">• Full drafts of all other deliverables (with RPF rapid review)
30 June '23	<ul style="list-style-type: none">• Completion of the final report• Completion of the framework of key risks• Completion of the slide deck detailing the study and its findings• Transfer of all data to RPF, and deletion following sign-off of all other deliverables

Research management

The consultant is expected to engage at routine check-ins with a research supervisor but is largely expected to conduct the study in a self-directed manner. The precise mechanism of research management and oversight will be discussed and decided during the onboarding process.

Resources required.

It is assumed that the consultant will have or procure their own required hardware and / or software.

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Qualifications and experience required.

Essential

- Master's degree in social sciences, development studies, public health, implementation science, or similar
- A minimum of 5 years' experience working in development or humanitarian organisations, including at least 2 years' in-country experience
- Demonstrated experience in designing and conducting rapid primary and secondary research projects, specifically including experience conducting scoping reviews, qualitative interviews; and qualitative analysis including coding of qualitative data.
- Excellent written and verbal communication in English
- Able to work flexibly and independently to a deadline, including to conduct interviews in time zones across the world.

Desirable

- PhD and / or postgraduate research in a relevant field, evidencing qualitative research experience including coding of qualitative data
- Seven+ years' experience working in development or humanitarian organisations, with extensive in-country experience.

Budget

As above, the RPF expects this work will take approximately 30 days of consultant time. The consultant is expected to propose a daily rate for their time (see 'Application process', below).

Application process

Please prepare and send an Expression of Interest (not exceeding 2 pages) to the RPF's Executive Director (ED) Victoria Tayler (victoria@riskpoolfund.org) **no later than 27 March 2023** explaining:

1. How your previous experience makes you the right person to conduct this work (being sure to highlight both your relevant operational and research experience).
2. Your proposed methodology to answer the research questions; and
3. Your expected daily rate for the work.

Please also include your CV, in which you list any research publications you have substantially contributed to (this can include reports, conference papers, *et cetera*, in addition to peer-reviewed literature). Suitable applicants who are shortlisted will be contacted by 31 March 2023 to arrange an interview taking place remotely.¹¹

¹¹ If you are considering submitting an EOI but have questions that are unaddressed by this ToR, please contact the ED.

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Annex A: ORA original research methodology

Data

Over five years, ORA systematically collected data on its portfolio of applicants for grants and loans, including applications that were ultimately denied. ORA accepts applications to overcome roadblocks or pursue unexpected catalytic opportunities. As of September 1, 2017, ORA approved 118 grants and loans, including 94 projects that presented with a roadblock and 24 projects that presented with a catalytic opportunity.

The dataset in the study included the 94 roadblock scenarios plus eight additional roadblock applications that matched the funding criteria of mid-implementation, unexpected, and discrete but were ultimately denied for other reasons. Each data point in this set represented a project that was mid-implementation (i.e., fully funded) and that experienced an unforeseen disruption that required a one-time grant or loan to implement a discrete solution. Thus, each of the 102 projects represented encountered an unexpected obstacle that, without additional funding, would have derailed the impact of that project. The final sample in the study was composed of 102 roadblock observations collected from applicants between 2012 and 2017.

In some cases, an application presented to ORA with multiple or overlapping roadblocks. In these cases, ORA identified primary and secondary roadblocks. A primary roadblock represents the most recent roadblock faced by the organization chronologically and/or the event that was unrecoverable. In layman's terms, the primary roadblock is the straw that broke the camel's back. Of this dataset, 26 projects presented with primary and secondary roadblocks. While secondary roadblocks were not included in the study, to test for validity of the overall results, a simple analysis was run including both primary and secondary roadblocks, thus increasing the dataset to 128 roadblocks.

Data collected on applicants included the size of the applying organization, project type, sector focus, geographic focus, and where the original funding came from. Applicant organizations self-selected these answers, which were then verified by ORA's research team. In general, though, ORA took applicants' narratives at face value and did not independently verify their claims absent of evidence suggesting a need for clarification. In cases of uncertainty, ORA reached out to the applying organization and/or other parties, such as the original funder, for clarification and confirmation.

Analysis and interpretation

ORA analysed this data for trends, patterns, and any statistically significant correlations, using descriptive analysis and statistical analysis via probit regressions in STATA (described below). The dataset was also coded for 22 different kinds of disruptions (Change in Funder Strategy, Fraud/Theft, Weather Event, Currency Fluctuation, etc.) that fell under one of three umbrella categories: Funder-Created Obstacles, Acts of God/Economics, or Organization Misfortune. Coding of roadblocks was done independently and directly by ORA's research team. Every project was reviewed, coded, and verified by the same individuals. This allowed for consistency in judgment and interpretation of the type of roadblock.

Thereafter, ORA performed a statistical analysis using the software Stata. The main objective of this analysis was to predict the likelihood of a certain roadblock to fall into one of our three main categories of roadblocks: Funder-Created Obstacles, Acts of God or Market Economics, and Organization Misfortune.

In the study, the probit regression of determining Funder-Created Obstacles, Acts of God or Market Economics, and Organization Misfortune showed that the model predicted success perfectly. Therefore, it was not mathematically possible to determine the coefficient and standard error for such a covariate. Stata therefore removed the covariate (and all the perfectly predicted outcomes) from the model. Thus, ORA decided to exclude the regression, as it did not contribute to any prediction of how often roadblocks would occur in the future. ORA also conducted a probit regression focused on the different sectors funded.

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Annex B: ORA's taxonomy of roadblocks

The below taxonomy was developed by ORA's research team through a systematic review of 102 applications. Each application was coded with one of 22 specific roadblocks, listed below. Real-life case examples are also provided to help illustrate definition and meaning. ORA acknowledged that there is a level of subjectivity to these definitions and classifications. However, ORA stated that all endeavours were made to ensure consistent judgment and classification.

Acts of God / market economics

Type	Definition	Case example
Public health crisis	An outbreak or complex health challenge that affects people in one or more geographic areas	An organization dedicated to relieving population-wide psychological trauma and stress faced a suicide epidemic in one of the communities it was working with, creating an urgent need to scale operations
Weather event	An emergency situation caused by an unpredictable weather event such as a hurricane, drought, flood, thunderstorm, etc.	An organization constructing a road in rural Bolivia experienced a severe flood during the dry season that washed out a section of the partially completed road and damaged some of its heavy equipment
Market change / economic crisis	A change in wider market conditions or a downturn in the economy that leads to a financial crisis	Case Example: An organization installing safe drinking water filters was partly financed by an innovative cost recovery mechanism, which accredits the dispensers to earn carbon credits. An unexpected change in carbon credit regulations and credit calculation methodology suddenly lowered the value of these credits, creating a budget shortfall
Currency fluctuation	An unexpected, significant, and quick change in the currency foreign exchange rates	Case Example: An organization that treats and prevents gender-based violence faced a rapid decline in the value of its local currency, jeopardizing its ability to continue operations based on its original budget
Violence / conflict	Outbreaks of violence – in an otherwise relatively peaceful area – that threaten the safety of people working on a given project in a country or region	Case Example: An organization running a three-year diploma program for women was forced to close its campus in Burundi when violent attacks and protests made it impossible to continue operations
Government intervention or change	An unexpected change in laws, regulations, or policy that has a significant impact on an organization's operations	An e-recycling social enterprise faced an erroneous change in its state business classification from "stores-wholesale" to "junk dealers." This increased insurance costs by 1,000% overnight, creating an urgent need for cash while the misclassification was resolved

Organisation misfortune

Type	Definition	Case example
Change in price / costs	An unexpected change in the cost of an asset or security from one period to another	An organization budgeted to purchase new vehicles based on prices and market values at that time. Due to an unexpected increase in economic activity in its region, vehicle prices

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		significantly increased between the time the budget was prepared and the moment of purchase
Property damage	Injury to real or personal property through a third party's negligence, wilful destruction, or an act of nature	A museum exhibit designed to teach children how to harness the power of water and air to create energy had a pipe break, causing the exhibit to flood and necessitating the museum to temporarily close. (Ironically, the burst pipe was unrelated to the water exhibit itself)
Fraud / theft	A criminal action intended to result in financial or personal gain	A national bank where a social enterprise kept its accounts was embroiled in a widespread fraud and embezzlement scheme. The country's central bank froze the accounts of all depositors, and the social enterprise was unable to access its cash, which was earmarked for constructing a new building
Equipment failure	Equipment stops functioning unexpectedly, despite proper maintenance, jeopardizing the organization's normal operations	An organization working on Lake Tanganyika in the Democratic Republic of the Congo had a boat donated to help them gather data from water-based communities. Despite paperwork to the contrary, the boat, upon deeper inspection, had severe structural damage and was unfit for use
Personnel issues	Sudden and unexpected changes in an organization's personnel such as family problems, life-changing situations, illness, or other issues that can negatively impact a key person's ability to perform his / her duties	The CEO of a social enterprise contracted dengue fever for the second time and could no longer live in the country where the business operates. A COO had to be hired immediately to ensure ongoing operations
Partner problems	A third-party partner pulls out of a relationship unexpectedly, has insufficient capacity, underdelivers based on past performance, etc.	An e-book and reading program were threatened when a third-party technology platform hosting the project declared bankruptcy
Expert error	Serious errors by recognized experts about scientific, engineering, economics, etc., where there was good cause to rely on the expert's information	A health NGO contracted a top-tier university to design a randomized control trial (RCT). The initial calculations, which required only 5,800 participants, were discovered to be incorrect and the RCT needed to suddenly expand to include more than 26,000 participants
Timeline acceleration	When a project's milestones occur significantly earlier than expected due to growth, partnerships, etc.	An organization providing training and work to low-income youth decided to expand its operation centre in phases. However, it contracted new client business much more quickly than anticipated and needed to expand its office immediately to achieve sufficient capacity to meet the demand

Funder-created obstacles

Type	Definition	Case example
Changes in grant cycles	An unanticipated modification in the grant cycle timing	A non-profit organization equipping rural villages to maintain and repair its water points had a significant cash crunch when its primary funder unexpectedly moved its funding cycle from June to November

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Changes in grant amount / insufficient amount	A modification in the quantity of funds provided to an organization	A non-profit was granted an award of \$1 million from a government funder to implement a project in Kenya. With a signed agreement in hand, the non-profit began implementation. However, when the check arrived, the overall award was reduced by \$100,000 due to internal budget changes at the government entity
Change in funder personnel	A change in the key point of contact for a funder due to staff turnover, reorganization, etc.	Case Example: An organization had been working with a foundation over multiple grant cycles. When the program officer and main point of contact left the foundation, no other employee was transferred to the relationship for several months. Due to the delay, the organization missed the window to submit its renewal request, causing it to miss funding from this previously consistent funder for the year
Change in funder policy	A rule change in how a funder runs its day-to-day operations	A funder changed its grant disbursement policy mid-grant so that a grantee now had to incur expenses first and request itemized reimbursements, instead of receiving the funding upfront
Change in funder strategy	A change in the funder's theory of change, asset allocation, strategic new direction, etc., that impacts an existing funding partner	The main funder of a savings project in India did a strategy refresh and decided to no longer target projects in India, cutting off funding despite a multiyear commitment
Delay of disbursement	Approved funds for an originally agreed-upon timeline are late or postponed	In order to continue scaling its business and impact, a social enterprise in Haiti received approval for the funding of new equipment to increase the production of green charcoal. Unfortunately, due to extended back-office issues of the government funder, the funds were delayed six months
Funder misfortune	One or more funders face an unfortunate condition or event impacting their ability to run business as usual	A drop in oil prices devastated a foundation's endowment, making it impossible for the foundation to meet existing funding commitments
Funder policy inflexibility	A funder's inability to adapt to / make exceptions for situations outside of the funding recipient's control	A project that was fully funded by one foundation had an unexpected four-month funding gap. The foundation's grant cycle did not restart until January, although the funds ran out in August. The foundation was unable to make a policy exception to accelerate committed funds to support the project in need